

Form GST ASMT - 11

[See rule 99(2)]

Reply to notice issued under section 61 intimating discrepancies in the return

ARN: ZD361225003362W

Date: 01/12/2025

1. GSTIN	36ACQFS2044C1Z7		
2. Name	SUMMIT SALES LLP		
3. Detail of notice	Reference No.: ZD360525003823J	Date: 03/05/2025	
4. Tax Period	APR-2021 MAR-2022		
5. Reply to the discrepancies			
Noticee submits that against these proceedings initiated under Section 61 of the CGST Act, 2017 in Form ASMT-10, a consequential Show Cause Notice in Form DRC-01 vide ref No. ZD360625002560Q dated 04.06.2025 issued and also Order for dropping the proceedings was passed in DRC-07 vide ZD3611250894472 dated 28.11.2025. Hence, it is requested to drop all further proceedings in this regard.			

6. Amount Admitted And Paid, if Any :

Sr. No	Tax Period		Act	Tax (₹)	Interest (₹)	Others (₹)	Total (₹)
	From	To					
-NA-							

7. Verification :

I SOHAMMODI hereby affirm and declare that the information given hereinabove is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory
Name: SOHAMMODI
Designation / Status: Designated Partner
Date: 01/12/2025

GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

**Office of the ASSISTANT COMMISSIONER OF STATE TAX, M.G.Road-S.D.Road Circle,
Begumpet Division, Hyderabad.**

Address : D.No.6-3-789, 4th Floor, Pavani Prestige Complex, Behind Ameerpet Bus Stop, Above
R.S.Brothers, Ameerpet, Hyderabad – 500 016

ARN: AD3606250014880 / Order Ref. No. ZD3611250894472

Date : 28.11.2025

**“ Attachment” to Form GST DRC-07 (“Summary of Assessment Order”) passed
under Section 73 and Rule 142 for the F.Y.2021-22**

To,

Particulars	Details
GSTIN	36ACQFS2044C1Z7
Trade Name	Summit Sales LLP
Legal Name of Business	Summit Sales LLP
Address	H.No.5-4-187/3&4, 3rd Floor, M.G.Road, Soham Mansion, Secunderabad – 500 003
Constitution of Business	Limited Liability Partnership / LLPIN [i.e., LLP Identification Number]: AAC-3606 Registered at Ministry of Corporate Affairs.
Tax period	April, 2021 to March, 2022
Financial Year	2021-2022
Act	CGST/SGST Act, 2017
Any other information: i) Regd./other Mobile Numbers ii) Regd./other e-Mail ID	9121282859 gst@modiproperties.com / info@modiproperties.com

SUB:-Goods and Services Tax Act, 2017 (here-in-after referred to in as ‘GST Act, 2017’ for brevity) – M.G.Road-S.D.Road Circle - Begumpet Division, Hyderabad – M/s.Summit Sales LLP, Secunderabad (here-in-after referred to in as ‘Taxpayer’ for brevity) – Conducted/carried-out scrutiny of GST Returns and other related statutory material available in the GST common portal for the financial year 2021-22 - Certain discrepancies/anomalies noticed - Form GST ASMT-10 was issued – Taxpayer was invited to submit appropriate explanatory and clarificatory statements with corroborative evidence on the observed anomalies within (30) days – They tended to show their reluctance to respond within the reasonable time given - Summary of Show Cause Notice in Form GSTDRC-01 was issued – Taxpayer not responded – Reminders issued – Not responded – PH Notice was issued – Reply filed – Examined – “Summary of Assessment Order” in Form GST DRC-07 is passed – Reg.

REF:-1.Statutory Returns as prescribed in Form GSTR-3B, GSTR-1 and other statutory returns filed by the taxpayer from time to time depending on the nature and scope of their business transactions for the financial year 2021-22.

2.This tax office “Notice for Intimating discrepancies in the Return after scrutiny” in Form GST ASMT-10 dated 03.05.2025 under Rule 99(1) and Section 61(1) of CGST Act and Rules, 2017 for the F.Y., 2021-22 vide its Reference No.ZD360525003823J.

3.This tax office “Summary of Show Cause Notice” in Form GST DRC-01 dated 04.06.2025 for the Financial Year 2021-22 under Section 71(1), 73(3) and Rule 142(1)(a) of CGST Act and Rules, 2017 vide its Reference NO.ZD360625002560Q.

4.This tax office Reminder-1 dated 20.06.2025.

5.This tax office Reminder-2 dated 01.07.2025.

6.This tax office Reminder-3 dated 14.07.2025.

7.Reply of the taxpayer in Form GST DRC-06 dated 22.07.2025.

8.This tax office ‘Notice’ dated 06.08.2025.

9.This tax office Personal hearing notice, dated 19.08.2025.

10.Reply filed by the taxpayer, dated 25.08.2025.

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M/s.Summit Sales LLP, located at Secunderabad are a registered taxpayer under the provisions of GST Act, 2017 with GSTIN 36ACQFS2044C1Z7 and assessee on the rolls of this state jurisdictional tax office i.e., the Assistant Commissioner (ST), M.G.Road-S.D.Road Circle of Begumpet Division, Hyderabad. The constitution of business /status of business is a “Limited Liability Partnership” vide its LLPIN: AAC-3606. The Legal Name of Business is Summit Sales LLP. According to the details recorded in the GST Registration records, the taxpayer carrying on business in trading of ‘Goods’ only viz., i) Standard Wire, Cables, Plated Bands and the Like, of Copper, not Electrically insulated (vide HSN code : 7413), ii) Granite, Porphyry, Basalt, Sandstone and Other Monumental or Building Stone (vide HSN code 2516), iii) Natural Sands of all kinds (vide HSN code 2505), iv) Tableware, Kitchenware, Other Household Articles and Hygienic or Toilet Articles of Plastics (vide HSN code 3924) and v) Toilet or Facial Tissue Stock, Towel or Napkin Stock and Similar paper of a kind used for Household or Sanitary purposes, Cellulose Wadding and Webs or Cellulose Fibres, (vide HSN code 4803).

In the course of and as a part of examining or scrutinizing and thereby measuring and ascertaining the appropriateness, veracity, correctness and legality of the “turnovers reported in different forms and corresponding reliefs/benefits obtained in various forms either in the matter of Input Tax or Output Tax and as well/as to properly assess/ensure their compliance with the GST rules and regulations made there-under or under any other law for the time being in force, it has been undertaken/carried-out the scrutiny of returns [i.e., Form GSTR-3B, Form GSTR-1, Form GSTR-2A/2B, Ledgers, Waybills data and other related statutory material available/and other various aspects of statutory information available on the GST common portal in relation to those

Returns or in connection with those returns for the financial year 2021-22 as required under the provisions of Section 61(1), read with Rule 99(1) of CGST Act and Rules, 2017.

In result of the thorough scrutiny made of the Returns and other details as outlined supra, it has been identified/noticed certain discrepancies, inconsistencies and inaccuracies which are not worthy of being considered permissible in law and which are not fundamentally/primarily appropriate to be considered permissible within the scope of the law. In the context of these observed circumstances or in the light of these observed circumstances / in this scenario, it is with a lawfully irrefutable view to first informing or intimating the concerned taxpayer of the observed discrepancies/inaccuracies and in that order, if the taxpayer agrees with the discrepancies noted and is willing to pay the taxes or other things involved in those discrepancies / inaccuracies, then making enable to them to pay those taxes and if not so, with a view to taking their explanation on those observed inaccuracies and after properly examining/analyzing them and then / thereafter / afterwards bringing those observed inaccuracies under the ambit of tax assessment, the details of those observed discrepancies and inconsistencies are hereby presented below one by one :

I) Nature of observed inaccuracy/discrepancy : Claiming of ITC benefits improperly on certain ineligible goods or services / on certain inappropriate business activities :-

It is observed/noted on a proper scrutiny made of the ITC particulars reflected in Form GSTR-2A Statement in order of quantifying and ascertaining the ITC benefits claimed for by the taxpayer as far as possible that, the ITC claim made by the taxpayer on some of the reflected entries therein are deemed ineligible in other words, the taxpayer is deemed not eligible for ITC benefits on certain reflected entries out of the entries being reflected in the Form GSTR-2A Statement under the provisions of Section 16 and 17 of CGST Act, 2017. Those details are outlined in a nutshell here below in a tabular form.

(Amount in Rupees)

Particulars	IGST	CGST	SGST
ITC as per Form GSTR-2A Statement vide Table 8A of Annual Return of Form GSTR-9	3,82,303	1,26,56,925	1,26,56,925
LESS:- i) Improper claim of ITC on B2BA Invoices (Business-to-Business Amended Invoices) - List enclosed	0.00	6,187	6,187
ii) Amount of ITC involved in irregularly/ improperly claimed on Credit Notes – List enclosed	2,409	74,411	74,411
iii) Amount of ITC involved in availing ITC benefits improperly on goods/services that were found not fall in the course or in furtherance of business under Section 16(1) / and certain goods or services were found falls under the Blocked Credits or list of prohibited items/services for claiming ITC as specified under Section 17(5) – List enclosed	83,674	22,64,426	22,64,426
Net eligible ITC as per Form GSTR-2A/2B	2,96,220	1,03,11,901	1,03,11,901

Less : ITC claimed in Form GSTR-3B vide Table 4A	3,96,009	1,23,16,705	1,23,16,705
Amount of ITC found in excess claim	-99,789	-20,04,804	-20,04,804

While enclosing the details of transactions notified to them as initially considered ineligible for ITC claim under various categories, the taxpayer is informed that, negative figures if any resulted in the above Table indicates excess claim and that the taxpayer usually has to reverse this ITC, or other-wise they will have to pay the same through Form GST DRC-03 or otherwise they will have to submit appropriate explanations for such difference with corroborative evidence. In the present case, since the taxpayer do not appear to have reversed any of the transactions initially/prima-facie identified above as ineligible for ITC claim on different reasons under different categories, the amount involved in observing as ineligible for claim of ITC benefits will have to be paid through Form GST DRC-03. The taxpayer is therefore requested to pay the same by Form GST DRC-03, or else they are invited to file their explanations as to why the observed transactions should not be considered as ineligible for availing ITC benefits. In case of failure to respond properly, necessary action as required /as may be deemed fit in the course of law to cogently assess the observed variations will be taken without any further notice or reminder.

II) Nature of observed inaccuracy/discrepancy : Under-declared sales which leads to the perception that the legitimate tax is being underpaid to the government:

i) In imprimis, in result of the banal examination of the sales reported /declared in different statutory forms, it is found that, the following sales have been reported / declared in the respective statutory forms:

Outward supplies (sales) as per GSTR-3B	-	Rs.18,54,48,819-00
Outward supplies (sales) as per GSTR-1	-	Rs.18,64,34,237-00
Outward supplies (sales) as per GSTR-09	-	Rs.18,64,66,814-00
Outward supplies (sales) as per P&L A/c	-	Rs.18,59,94,743-00

The turnovers disclosed in the above various statutory reference Forms have been examined in common parlance and taken on record for further necessary course of assessment.

ii) Reconciliation / comparison of sales reported in different statutory forms:-

Upon due codification/reconciliation made of outward supplies (sales) of goods or services so reported by the taxpayer in different statutory forms with each other, it is found categorically that, there was under-reporting of outward supplies (sales) in the Form GSTR-3B Returns to a tune of Rs.10,17,995-00 when compared with the sales reported in Annual Return of Form GSTR-9. Therefore, it is while keeping in view the irrefutable canons of reasonable and lawful tax assessment to be adopted in this juncture, hereby taken into account the above noticed short reporting of sales worth Rs.10,17,995-00 and brought to tax assessment with proposing to levy tax @18% which amounts to Rs.91,620-00 (CGST) and Rs.91,620-00 (SGST) respectively.

III) Cross Verification of Output taxes reported/declared in different statutorily prescribed forms):-

During the scrutiny made of the monthly returns (Form GSTR-3B) and Annual Returns (Form GSTR-9) / Annual Reconciliation Statements (GSTR-9C) in due manner, it is hereby noticed that, the following are the output taxes reported/declared under the different parts of GST respectively.

Particulars	Integrated Tax (IGST)	Central Tax (CGST)	State/UT Tax (SGST)
Output tax reported as per Form GSTR-3B	0.00	1,70,72,355	1,70,72,355
Output tax reported as per form GSTR-1	0.00	1,70,68,308	1,70,68,308
Output tax reported as per Form GSTR-9	0.00	1,70,97,453	1,70,97,453
Output tax reported as per Form GSTR-9C	0-00	1,70,35,230	1,70,35,230

As a result of a general examination of the output taxes reported in the various statutory forms as mentioned above, it is hereby come to a view that, there was short-reporting of output tax in Form GSTR-3B to a tune of Rs.25,098-00 (CGST) and Rs.25,098-00 (SGST) respectively when compared with the output taxes declared in Annual Return of Form GSTR-9. The taxpayer is therefore requested to pay the same by Form GST DRC-03, or else they are invited to file their explanations as to why the observed difference should not be brought to tax assessment. In case of failure to respond properly, necessary action as required /as may be deemed fit in the course of law to cogently assess the observed variations will be taken without any further notice or reminder.

IV) Levy of Penalty applying General Penalty provision Section 125:- For failure to discharge their tax obligations in a lawful manner/statutorily admissible manner and for failure to properly comply in accordance with the law, in other words for failure in properly reporting the turnovers to the department in respect of either Purchases or sales and for failure in properly claiming tax benefits/tax exemptions/discharging tax liabilities either in the matter of PURCHASES or in the matters of SALES, herein while keeping in view the prima facie merits of presuming that, their conduct of business is in contrary or violation of the generality, objects and purposes of the statutory provisions and in this point of view, while keeping in view the merits of possibilities of imposing an appropriate punishment as to take ordinary punitive measures (within statutorily viewable limits that 'any person who violates a provision of the GST Act or Rules established thereunder would be subject to a general Penalty under Section 125 of the CGST Act, 2017), it is while invoking the relevant and applicable general Penalty impositionable Section 125 of CGST Act, 2017, hereby levied Penalty @ Rs.50,000-00 i.e., Rs.25,000-00 towards CGST and Rs.25,000-00 towards SGST respectively.

V) Other Income:- Upon due scrutiny of the audited Annual Financial Statements, it is noticed that, there was declaration of "Other Income" in the Profit and Loss Account to a tune of

Rs.4,71,495-00. While keeping in view the relevance and implied order of tax assessment canons i.e., in order of properly assess one's tax liabilities, all the relevant and appropriate factors shown/recorded in the various statutory returns and books of accounts need to be/must be taken into account as far as possible without prejudice to the generality of the provisions of law and its validity and based on this, it is while bringing this declaration to the attention of the taxpayer, hereby proposed to be provisionally brought under the ambit of tax assessment by levying tax @ 28% which amounts to Rs.66,009-00 (CGST) and Rs.66,009-00 (SGST) respectively. In the course of/in this context, the taxpayer is hereby requested to submit their explanatory statements detailing the contextual antecedents of this point proposed to be included under tax assessment with appropriate corroborative evidence; in case of failure, the proposal of tax would be confirmed without any further notice or reminder.

VI) Credit Notes:- Upon due scrutiny of the monthly and annual GST returns, it is noticed that, there was declaration of "Credit Notes" in the Table 4(I) of Annual Return of Form GSTR-9 to a turnover of Rs.6,78,115-00 with tax liability of Rs.67,089-00 (CGST) and Rs.67,089-00 (SGST) respectively. While keeping in view the relevance and implied order of tax assessment canons i.e., in order of properly assess one's tax liabilities, all the relevant and appropriate factors shown/recorded in the various statutory returns and books of accounts need to be/must be taken into account as far as possible without prejudice to the generality of the provisions of law and its validity and based on this, it is while bringing this declaration to the attention of the taxpayer, hereby proposed to be provisionally brought under the ambit of tax assessment the tax of Rs.67,089-00 (CGST) and Rs.67,089-00 (SGST). In the course of/in this context, the taxpayer is hereby requested to submit their explanatory statements detailing the contextual antecedents of this point proposed to be included under tax assessment with appropriate corroborative evidence; in case of failure, the proposal of tax would be confirmed without any further notice or reminder.

VII) Exempt sales:- Upon due scrutiny of the monthly and annual GST Returns, it is noticed that, there was declaration of "Exempt sales" in the Table 5(D) of Annual Return of Form GSTR-9 to a turnover of Rs.6,75,428-00. While keeping in view the relevance and implied order of tax assessment canons i.e., in order of properly assess one's tax liabilities, all the relevant and appropriate factors shown/recorded in the various statutory returns and books of accounts need to be/must be taken into account as far as possible without prejudice to the generality of the provisions of law and its validity and based on this, it is while bringing this declaration to the attention of the taxpayer, hereby proposed to be provisionally brought under the ambit of tax assessment by proposing tax @18% which amounts to Rs.60,789-00 (CGST) and Rs.60,789-00 (SGST). In the course of/in this context, the taxpayer is hereby requested to submit their explanatory statements detailing the contextual antecedents of this point proposed to be included under tax assessment with appropriate corroborative evidence; in case of failure, the proposal of tax would be confirmed without any further notice or reminder.

VIII) In the same order as the above, one thing that is observed in another aspect is definitely worth mentioning here and brought to the attention of the taxpayer in order to file their objection

that, after analyzing the Waybills received by the taxpayer, the fact observed that, (57) inward transactions made by the taxpayer by Waybills to a taxable /basic value of Rs.2,96,21,361-00 were not reflected in the Form GSTR-2A/2B Statement of the taxpayer. This line of observation /this type of note can lead to the impression/assumption that the taxpayer made certain purchases with some ulterior motive and that the dealer suppressed the corresponding sales related to those purchases and that, the taxpayer thereby did not pay the related taxes due to the government on those suppressed sales. In this observed context, while enclosing the details of observed (57) Inward Waybill transactions on the one hand and it is on the other hand while keeping in view the canons of legitimate tax assessment and following the statutory method to be adopted taking the light of implied scope of Rule 30 of CGST Rules, 2017 in this context of observed circumstances, the amount of tax payable by the taxpayer as a result of the above noted Waybills not reflected in Form GSTR-2A is estimated/appraised and it is hereby proposed to be assessed tax is proposed @28% and 18% worth Rs.29,39,347-00 (CGST) and Rs.29,39,347-00 (SGST) respectively.

IX) In order of bringing to the attention of the taxpayer through this purported 'Show Cause Notice' regarding to the inaccuracies observed, another notable anomaly observed primarily in the course of a thorough examination of their Waybills utilized is that, when cross checked or codified the sale transactions reported in the Form GSTR-1/GSTR-3B Returns with that of the sales made by utilising Waybills, it is found that, certain sale transactions made by the taxpayer by utilizing (3) Waybills worth Rs.13,13,945-00 were not reported properly in the Form GSTR -3B and Form GSTR-1 Returns. While considering this notice as the taxpayer has failed to properly report those sales to the department and discharge their tax obligations as per law and this observed order warrants the supposition and leads the meritorious facts which can be seen as irrefutable and non-rebuttable in the light of the statutory scope to assume that the taxpayer wilfully or in other words maliciously neglected to report those sale transactions properly to the department and considering this proposed order to be appropriate for penal measures / punitive measures to be taken in addition to the statutory taxes, it is while detailing the particulars of those (3) Waybills in an Annexure attached to this Notice, it is hereby proposed to be assessed the above observed undisclosed turnover and accordingly tax is proposed @18% worth Rs.1,18,255-00 (CGST) and Rs.1,18,255-00 (SGST) respectively.

As a part of concluding the point at issue, the various aspects that have been analyzed above and brought to the attention of the taxpayer for the purpose of presenting appropriate explanations in the course of assessing their tax liabilities in accordance with law for the financial year 2021-22 are briefly outlined here below :-

(Amount in Rs.)				
S.No.	Particulars	IGST	CGST	SGST
1	Excess claim of ITC in Form GSTR-3B	99,789	20,04,804	20,04,804
2	Tax on sales variation	0.00	91,620	91,620
3	Difference of output tax declared between GSTR-3B and GSTR-9 (in other words under-reporting of output tax in Form GSTR-3B)	0.00	25,098	25,098

4	Tax on Other Income	0.00	66,009	66,009
5	Tax on Credit Notes	0.00	67,089	67,089
6	Tax on Exempt sales	0.00	60,789	60,789
7	Tax on Un accounted Waybills utilised in terms of Purchases	0.00	29,39,347	29,39,347
8	Tax on Waybills utilized for certain sales were not properly accounted for in the books of accounts and were not properly brought to tax dischargement	0.00	1,18,255	1,18,255
9	Total taxes put-for Proposals	99,789	53,73,011	53,73,011
10	General Penalty under Section 125	0.00	25,000	25,000
11	TOTAL liability brought to attention of the taxpayer	99,789	53,98,011	53,98,011

While concluding the observational findings arrived-at after a preliminary examination made of the monthly / yearly returns as stated or as referred to above for the financial year 2021-22 and as well as while bringing the same to the notice of the taxpayer in the form of “NOTICE FOR INTIMATING DISCREPANCIES IN THE RETURN AFTER SCRUTINY” (Form GST ASMT-10), the taxpayer is therefore directed to go through the above noticed/identified findings/discrepancies and pay the taxes payable so indicated supra along with Penal Interest by way of generating Form GST DRC-03 on GST Common Portal, otherwise, if they have any objections on the above proposals/if they do not agree with the above proposals, they are hereby requested to file their objections with corroborative evidence within (30) thirty days from the date of receipt of this Notice : failing which, necessary action as deemed fit in accordance to the provisions of law will be taken to complete the lawfully purported part of assessment proceedings without any further notice or reminder.

NOTE : The taxpayer is hereby further informed that, in the context of and in the wake of this ‘Intimation of Discrepancies’ being issued in Form GST ASMT-10 afresh after a thorough examination of the returns and other related information available in the GST common portal in various aspects and perspectives for the financial year 2021-22 and certain inaccuracies observed/identified in result of such examination, the ‘Intimation of Discrepancies’ in Form GST ASMT-10 dated 02.06.2022 issued to the taxpayer in earlier for the same year in Reference No.ZD3606220094996 is hereby considered and declared as non-existent and obsolete here-after and henceforth. Another thing that is hereby informed to the taxpayer is that the explanations in the reply dated 25.04.2025 (vide ARN ZD360425032713J) submitted by the taxpayer to the previous ASMT-10 dated 02.06.2022 will be taken into consideration to the extent they are relevant to the points in the present ASMT-10 being issued. Meanwhile, the taxpayer is also requested that, before going to file reply to the present Notice, please reconsider their earlier reply once and file their detailed reply to the current Notice.

Accordingly, a “Summary of Show Cause Notice” in Form GST DRC-01 dated 04.06.2025 [the tax proposals made in the previously issued Form ASMT-10 are being converted into Form GST

DRC-01] as is] with an abbreviated glossary and numerical figures of the deficiencies or anomalies so intended to be proposed in the course of/in result of making scrutiny of the Returns and other statutory material available on the GST portal to the notice of the taxpayer along with an Attachment or Annexure to that Show Cause Notice (containing) with detailed analyses of the aforesaid abbreviated numeral propositions for the year 2021-22 under Sec.73(1) and (3), read with Rule 142 (1) (a) of CGST Act and Rules, 2017 was issued to the taxpayer vide reference 2nd cited, with a request to make payment of tax and others involved in the inaccuracies / anomalies brought to their attention in the form of specific/direct or indirect tax proposals in respect of various matters in the form of generating GST tax payment Form in DRC-03 under Rule 142(2) and 142(3) of CGST Rule, 2017 or otherwise/or else, in case of disagreement with the proposals, inviting their attention as to file written objections on such proposals with adequate corroborative evidence within (15) days of receipt of this Notice. The Notice was accordingly served on the taxpayer by one or some of the various methods prescribed under the provisions of Section 169 (1)(a) to (f) of CGST Act, 2017 [as to making service in due manner/as a matter of reasonable service] viz., in the form of uploading the Notice electronically in the GST portal in due manner and making it available for the taxpayer in order to view or check it through their login and to respond accordingly. The Show Cause Notice was also served on the taxpayer in palpable mode by rendering it directly or by messenger on 05.06.2025.

But, the taxpayer having duly received the “Summary of Show Cause Notice” in Form GST DRC-01 so made available to them on the GST common portal neither filed any objections nor sought any adjournment of the reasonable time allowed in the referred Show Cause Notice. Hence, while keeping in view the principles of natural justice and canons of legitimate tax assessment to be followed in order of providing as many reasonable opportunities as possible to the assessee/ as a part of facilitating them to file their objections and producing the documentary evidence in support thereof, they have been issued three reminders one after the another on the name of Reminder-1, Reminder-2 and Reminder-3 dated 20.06.2025, 01.07.2025 and 14.07.2025 respectively vide references 4th, 5th and 6th cited, wherein while referring to the specific dates/due dates viz., 27.06.2025, 10.07.2025 and 23.07.2025 respectively, the taxpayer was requested to file their reply by the dates referred to/specified therein and besides/alongside with the same, they were also afforded an opportunity of “Personal Hearing” scheduled on the dates specified in the Reminders concerned with a direction to appear before the assessing authority either in person or through authorized representative with their objections on the points covered in the referred Show Cause Notice and corroborative evidence in support thereof and to explain their case. All the above Reminders have been served to the taxpayer by way of uploading electronically in the GST portal in prescribed manner and made them available on the GST common portal in order to check the same in their GST login and to submit their reply accordingly.

The taxpayer having received the Reminders filed a reply in Form GST DRC-06 under Rule 142(4) of CGST Rules, 2017 on 22.07.2025 vide reference 7th cited, wherein the taxpayer while seeking time until August, 22nd, 2025, pleaded to consider their request.

After a carefully considering and analysing their plea related to asking for more time until 22.08.2025, a Notice dated 06.08.2025 vide reference 8th cited, has been issued to the taxpayer shortening the time they requested. In it, the taxpayer was requested to submit their objections if any, against the Show Cause Notice along with all the required and connected documents in original in the course of substantiating their objections by 13.08.2025. The notice was served on the taxpayer in palpable mode by rendering through common portal on 06.08.2025.

But even to this Notice served in a different ways/in different form as prescribed under Section 169 of CGST Act, 2017, the taxpayer has failed in discharging their primary responsibility to respond at least this reasonable effort also.

However, while keeping in view the principles of natural justice to be followed in giving reasonable opportunities without prejudice and breach to the generality of the interpretations of the various principles enshrined in the law from time to time regarding the provisions of reasonable opportunities to be afforded as to (filing written objections), they were afforded an opportunity of “Personal Hearing” vide reference 9th cited with a direction to appear before the assessing authority either in person or through authorized representative to explain their case on the scheduled date i.e., 26.08.2025 in the office hours. The notice was served on to the taxpayer on 19.08.2025.

CA Preethi Gilluka, authorized person on behalf of the firm attended for personal hearing on 26.08.2025 before the undersigned in this tax office and reiterated their contentions as filed in their reply dated 25.08.2025.

All the ventilated submissions of the taxpayer in their reply(s) are accordingly examined /scrutinized thoroughly and carefully and the admissibility/plausibility or other-wise of the same are accordingly crystalized/ascertained and allowed necessary relief(s) to an extent of the objections raised and clarificatory statements adduced/corroborative evidence produced found to be worthy or capable of being granted the necessary/required reliefs as the case may be and as well as to an extent as necessary within the lawfully/statutory admissible limits and concluded the proposed tax assessment proceedings without prejudice and breach to the generality of the broad scope of statutory principles and their relevance and without prejudice to the statutory generality of the principles of assessment of tax for the financial year 2021-22 on the following lines :-

Response of the taxpayer in their own words:-

I. Nature of observed inaccuracy/discrepancy: Claiming of ITC benefits improperly on certain ineligible goods or services / on certain inappropriate business activities :-

13. The para reviews the total ITC claimed by the Noticee during FY 2021-22 and concludes that excess credit of Rs.41,09,397/- was availed. This conclusion is drawn by comparing the ITC available as per Form GSTR-2A (reflected in Table 8A of the annual return in Form GSTR-9), (after reducing adjustments such as ITC on invoices amended by suppliers, credit notes, and ITC proposed to be blocked under Section 17(5) of

the CGST Act, 2017), against the ITC claimed in Table 4A of GSTR- 3B. The detailed calculation made by the assessing authority is set out below:

Particulars	IGST	CGST	SGST
ITC as per Form GSTR-2A Statement vide Table 8A of Annual Return of Form GSTR-9	3,82,303	1,26,56,925	1,26,56,925
LESS:-i) Improper claim of ITC on B2BA Invoices (Business-to-Business Amended Invoices)-List enclosed	0.00	6,187	6,187
ii) Amount of ITC involved in irregularly / improperly claimed on Credit Notes – List enclosed	2,409	74,411	74,411
iii) Amount of ITC involved in availing ITC benefits improperly on goods/services that were found not fall in the course or in furtherance of business under Section 16(1) / and certain goods or services were found falls under the Blocked Credits or list of prohibited items / services for claiming ITC as specified under Section 17(5)	83,674	22,64,426	22,64,426
Net eligible ITC as per Form GSTR-2A/2B	2,96,220	1,03,11,901	1,03,11,901
Less: ITC claimed in Form GSTR-3B vide Table 4A	3,96,009	1,23,16,705	1,23,16,705
Amount of ITC found in excess claim	-99,789	-20,04,804	-20,04,804

14. At the outset, the Noticee submits the basis of computation on account of which the amounts stand reflected in Table 8A of Form GSTR-9.

Table1

Amount in Rupees.

	IGST	CGST	SGST	Total
ITC B2B	3,84,712	1,27,31,336	1,27,31,336	2,58,47,384
Add: ITC B2BA	0	6,187	6,187	12,374
Add: ITC on Debit Notes	0	0	0	0
Less: ITC on Credit notes	-2,409	-74,411	-74,411	-1,51,232
Less: ITC on B2BA		-6187	-6,187	-12,374
Net ITC for as Per GSTR 2A	3,82,303	1,26,56,925	1,26,56,925	2,56,96,153

15. The details of table 8A as downloaded from GST portal is attached as **Annexure 1.1** and a screen shot of values populating in table 8A of GSTR -9 is provided below:

Extract of Table 8 of GSTR 9 annual return for F.Y. 2021-22

Pt. III	Details of ITC for the financial year				
Sr.No	Details	Central Tax(₹)	State Tax / UT Tax(₹)	Integrated Tax(₹)	Cess(₹)
	1	2	3	4	5
8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	1,26,56,925.43	1,26,56,925.43	3,82,303.06	13,397.35
B	ITC as per sum total of 6(B) and 6(H) above	1,22,28,055.00	1,22,28,055.00	3,41,156.00	2,803.55
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period.	0.00	0.00	0.00	0.00
D	Difference [A-(B+C)]	4,28,870.43	4,28,870.43	41,147.06	10,593.80

16. From Table 1 above, it is clearly established that the ITC auto-populated in Table 8A of Form GSTR-9 represents the NET ITC, which already factors in the impact of credit notes, debit notes, and B2B amendments uploaded by the suppliers. Accordingly, the net ITC, after such reductions, works out to IGST of Rs. 3,82,303/-, CGST of Rs. 1,26,56,925/-, and SGST of Rs. 1,25,56,925/-.
17. The Assessing Authority, in its computation, has rightly adopted the Net ITC available to the Noticee as the starting point for drawing a comparison between ITC available as per GSTR-2A vis-à-vis ITC claimed in GSTR-3B. However, to this Net ITC, the Assessing Authority has further reduced ITC on account of credit notes amounting to IGST Rs. 2,409/-, CGST Rs. 74,011/-, and SGST Rs. 74,011/-, as well as ITC on account of B2BA amounting to CGST Rs. 6,187/- and SGST Rs. 6,187/-.
18. At this juncture, it is respectfully submitted that since the starting point of the computation itself is the Net ITC, any further reduction on account of credit notes and B2BA leads to a double impact of such transactions. This, in turn, incorrectly portrays that the Noticee has availed excess ITC to the said extent. The method of computation adopted is therefore erroneous, and it is requested that the reductions made on account of B2BA and credit notes be disregarded in the present calculation.
19. It is further submitted, that the noticee has claimed ITC to the tune of IGST- Rs.54,853/- CGST-Rs. 54,766/- & SGST-Rs.54,766/- pertaining to F.Y. 2020-21 in its GSTR3B returns for the F.Y. 2021-22. The details of such claim had been correctly reported by the notice in its GSTR-9 return of FY2020-21. GSTR-9 of 2020-21 is attached as **Annexure1.2**.

Extract of Table 8A of GSTR9 annual return filed for the F.Y. 2020-21

Pt. III	Details of ITC for the financial year				
Sr.No	Details	Central Tax(₹)	State Tax / UT Tax(₹)	Integrated Tax(₹)	Cess(₹)
	1	2	3	4	5
8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	1,08,67,687.37	1,08,67,687.37	4,16,419.70	0.00
B	ITC as per sum total of 6(B) and 6(H) above	1,05,66,010.00	1,05,66,010.00	3,61,145.00	0.00
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period.	54,766.00	54,766.00	54,853.00	0.00
D	Difference [A-(B+C)]	2,46,911.37	2,46,911.37	421.70	0.00

Therefore, it is humbly submitted that this Credit be added to eligible ITC available to notice for F.Y.2021 -22.

Details of invoices pertaining to F.Y. 2020-21, but input tax credit claimed in 2021-22 is given as **Annexure 1.3.**

20. Upon disregarding the incorrect reductions on account of B2BA and credit notes, and by duly adding the ITC of the F.Y. 20-21 claimed in the F.Y. 21-22, the revised computation as per your good office would be as under:

Table2

Amount in Rupees.

Particulars	IGST	CGST	SGST
ITC as per Form GSTR-2A Statement vide Table 8A of Annual Return of Form GSTR-9	3,82,303	1,26,56,925	1,26,56,925
LESS:-i)Improper claim of ITC on B2BA Invoices (Business-to-Business Amended Invoices)-List enclosed	0.00	0.00	0.00
ii) Amount of ITC involved in irregularly/improperly claimed on Credit Notes–List enclosed	0.00	0.00	0.00
iii) Amount of ITC involved in availing ITC benefits improperly on goods/services that were found not fall in the course or in furtherance of business under Section 16(1) /and certain goods or services were found falls under the Blocked Credits or list of prohibited items/services for claiming ITC as specified under Section 17(5)	83,674	22,64,426	22,64,426
Net eligible ITC as per Form GSTR-2A/2B	2,98,629	1,03,92,499	1,03,02,499
Add: ITC pertaining to F.Y.20-21 claimed in F.Y.21-22	54,853	54,766	54,766
Total Eligible credit available	3,53,492	1,04,47,265	1,04,47,265

Less: ITC claimed in Form GSTR-3B vide Table4A	3,96,009	1,23,16,705	1,23,16,705
Amount of ITC found in excess claim	42,527	18,69,440	18,69,440

21. From the revised computation above, the only aspect now under dispute pertains to ITC which, as per the Assessing Authority, does not fall within the ambit of '*in the course or furtherance of business*' under Section 16(1) of the CGST Act, 2017, or is treated as blocked credit under Section 17(5) of the CGST Act, 2017. Accordingly, the ITC proposed to be disallowed amounts to IGST – Rs83,674/-, CGST –Rs.22,64,426/-, and SGST–Rs.22,64,426/-.

22. The supplier-wise ITC considered as ineligible by the Assessing Authority is furnished in the table 3 below, along with corresponding remarks indicating whether the Noticee has also treated the same as eligible or ineligible in its GST return filings.

Table3

Amount in Rupees.

S. No	GSTIN	Party Name	IGST	CGST	SGST	Eligibility
1	06ABWPG6665N1ZR	Varindra Traders	15,000	-	-	Eligible
2	06AFYPJ0418A1ZQ	Muskan Enterprises	55	-	-	Eligible
3	06ALNPJ7963P1Z5	Bindal Textiles	293	-	-	Eligible
4	08ABEPP9724D1ZJ	Furni Fry India	300	-	-	Eligible
5	36AABCM4761E1ZM	Modi Properties Private Limited	-	23,115	23,115	Eligible
6	36AADAT9310L1Z7	Naredco Telangana Real Estate Developer's Association	-	6,350	6,350	Eligible
7	36AAEFM1459R1ZP	Modi Realty Mallapur LLP	-	14,246	14,246	Eligible
8	36AAGCM5081L1Z3	M K Mobiles Private Limited	-	7,914	7,914	Eligible
9	36AAGFS2959C1Z5	S A Sports	-	3,750	3,750	Eligible
10	36AAGFV2068P1ZJ	Vista Homes	-	2,673	2,673	Eligible


11	36AAHCG4562D1ZP	GV Research Centers Private Limited	-	16,843	16,843	Eligible
12	36AAHCG4940K1ZC	GV Discovery Centers Private Limited	-	3,960	3,960	Eligible
13	36AAHFN0766F1ZA	Nilgiri Estates	-	34,426	34,426	Eligible
14	36AAAPI6940H1ZL	M/S Fine Enterprises	-	1,746	1,746	Eligible
15	36AAMFH1012P1Z9	Hestia	-	11,56,748	11,56,748	Eligible
16	36AANFG4817C1ZH	Villa Orchids LLP	-	62,292	62,292	Eligible
17	36AASCA9050B1ZN	Artifeks Exterior And Interior Contracting Private Limited	-	8,988	8,988	Eligible
18	36ABCFM6774G2ZZ	Modi Realty (Miryalaguda) LLP	-	3,202	3,202	Eligible
19	36ABRFA6646G1Z2	Atlas Enterprises	-	564	564	Eligible
20	36ABTPV3594Q1Z8	M/S Anisha Associates	-	87,757	87,757	Eligible
21	36ACPJD6650R1Z2	M/S Maha Raja Carpets India	-	418	418	Eligible
22	36ACVFS7909P1ZV	Serene Constructions LLP	-	1,340	1,340	Eligible
23	36ADBFS3288A2Z7	Silver Oak Villas LLP	-	29,144	29,144	Eligible
24	36ADIPV3204E1ZP	M/S SVR Telecom Services	-	16,017	16,017	Eligible
25	36AMRPG2711M1ZT	Shubham Enterprises	-	1,59,268	1,59,268	Eligible
26	36BBIPM8347N1ZW	Sudarshan Maheshwaram	-	69,939	69,939	Eligible
27	36BCBPS4784B1ZJ	Sathyavarapu Hardwares	-	6,033	6,033	Eligible
28	36BDJPK0306E1Z1	Tulasi Group of Industries	-	1,42,441	1,42,441	Eligible
29	36BERPS5253M1ZM	Saya Surender Gunny Merchants	-	5,200	5,200	Eligible

30	37AACAC4078P2Z7	Confederation of Real Estate Developers	10,800	-	-	Eligible
31	36AADCC8601P1ZE	Bajaj Housing Finance Limited	-	3,429	3,429	Eligible
32	06AASPM3114B1Z2	Mehra's Ramson	267	-	-	Eligible
33	21ALXPA2752K1Z1	M/S Compu World	6,913	-	-	Eligible
34	27AACCP5489K1ZT	Pari Computers Private Ltd	29,226	-	-	Eligible
35	27AACGC5940C1ZV	Computronics Multivision Private Limited	8,685	-	-	Eligible
36	36AADCI3006N1ZL	Ikea India Private Limited	-	605	605	Eligible
37	36AADCO3105A1Z6	Obel Computers Private Limited	-	73	73	Eligible
38	36AAECR8516M1ZW	M/S Radiant Consumer Appliances Private Limited	-	2,204	2,204	Eligible
39	36ACUFS2935A1ZZ	M/S Shweta Computers	-	7,124	7,124	Eligible
40	36ADIPA9683N1ZW	Gautham Enterprises	-	6,051	6,051	Eligible
41	36ADVPM6562B1Z8	Shivam Computers	-	772	772	Eligible
42	36ADYPP7519G1ZT	Pirgal Electronics	-	23,947	23,947	Eligible
43	36AJIPM8876F1ZN	M/S Social Dna (Prop.) Aditya R Mankani	-	60,750	60,750	Eligible
44	36AVTPS1528D1ZB	M/S Vivid World	-	1,689	1,689	Eligible
45	36BTZPA2173D1ZN	Sai Adhitya Computers	-	594	594	Eligible
46	36FSTPS6819H1ZS	Avighna Distributors	-	7,723	7,723	Eligible
47	37AJCPD7535N1ZX	Sha Maknaji Veerchand	6,935	-	-	Eligible
48	36AANFN5769N1ZA	Nandini Ads	-	1,655	1,655	Eligible
49	36DDCPG9552D1ZM	Leomind Creatives	-	20,430	20,430	Eligible
50	27AAVFA1836B1ZJ	Anand Tyre Shoppe	366	-	-	Eligible

51	36AABCF0191R1ZA	Future Generali India Insurance Company Limited	-	2,302	2,302	Eligible
52	36AABCR7061G1ZK	Royal Sundaram General Insurance Company Limited	-	3,037	3,037	Eligible
53	36AADFF7747CZZG	M/S Fortune Commercial Vehicles	-	23,065	23,065	Eligible
54	36AAECN0650N1ZB	Neon Motors Private Limited	-	13,995	13,995	Eligible
55	36AAEFA6910D1ZW	Ashoka Tyres	-	7,345	7,345	Eligible
56	36AAEFK7016C1ZU	Kotak Mahindra General Insurance Co.Ltd.	-	3,602	3,602	Eligible
57	36AAGCM9923M2ZT	M/S Malik Motors Private Limited	-	2,706	2,706	Eligible
58	36AAZPL3304M1Z6	Service Zone	-	259	259	Eligible
59	36AADFD7340R1ZZ	Dadus	-	4,629	4,629	Ineligible
60	06AAACM0829Q1Z8	Maruti Suzuki India Limited	4,833	-	-	Ineligible
61	36AAACR9764P1ZI	R K S Motor Pvt Limited	-	1,52,833	1,52,833	Ineligible
62	36AABCB5730G1ZY	Bajaj Allianz General Insurance Company Limited	-	1,230	1,230	Ineligible
63	36AABCV2471Q1ZT	Varun Motors Private Limited	-	46,600	46,600	Ineligible
64	36ADWFS2051C1Z0	Sundar Motors	-	1,405	1,405	Ineligible

23. From Table 3 above, it is submitted that ITC pertaining to suppliers listed at Serial Nos. 1 to 58 has been considered as eligible by the Noticee. The reasoning for such treatment is elaborated in the subsequent paragraphs. On the other hand, ITC relating to suppliers enumerated at Serial Nos. 59 to 64 has been treated as ineligible by the Noticee in its GSTR-3B filings.

24. The Noticee has further examined the reasoning adopted by the Assessing Authority while determining certain credits as ineligible and respectfully submits that such classification is erroneous. The Assessing Authority has disallowed ITC merely on the basis of the supplier's name, nature of business, or general description of supply, without citing any specific provision or section of the CGST Act, 2017 under which the credit stands restricted or blocked. This arbitrary and non-specific approach lacks statutory backing and fails to satisfy the principles of natural justice, as it does not specify the precise legal grounds relied upon for denial of credit.
25. By way of illustration, at Serial No. 4 of the above table, the Assessing Authority has disallowed ITC in respect of purchases from supplier *FURNI FRY INDIA* (GSTIN: 08ABEPP9724D1ZJ), vide Invoice No. TBZK-347 dated 01-06-2021. The disallowance appears to be solely on account of the supplier's trade name containing the word 'FRY,' thereby leading to an unfounded presumption that the purchase pertains to food products. The Noticee submits that such a presumption is wholly arbitrary, devoid of any examination of the underlying supply or documentary evidence, and cannot form the basis for denial of ITC.
26. Without prejudice to the vague and arbitrary mechanism adopted by the Assessing Authority, which has resulted in an exorbitant and unsustainable demand and has caused undue hardship to the Noticee, detailed submissions are hereby made to demonstrate why the ITC relating to suppliers listed at Serial Nos. 1 to 58 is duly eligible to the Noticee.
27. The Noticee is engaged in the business of supplying goods, which include a wide range of materials used in construction, hardware, electronics, utility goods, furniture, modular kitchens, steel, iron, cable, wires, electrical fittings, tubes, pipes etc. In addition, the Noticee is also engaged in the supply of services such as carriage, business administration, digital marketing, investments, and other ancillary business services.
28. In support of the above, the Noticee submits the details of the HSN codes uploaded on the GST portal in its GST registration form. It is further submitted that while the GST registration form permits the declaration of a maximum of five HSN codes, such limitation does not restrict the dealer from trading in goods or supplying services beyond those mentioned in the registration form.


Goods and Services Tax
 Government of India, States and Union Territories
 SUMMIT SALES LLP
36ACQFS2044C1Z7

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Application Type	GSTIN	Name of Business
Amendment (Non-Core Fields)	36ACQFS2044C1Z7	SUMMIT SALES LLP
Type of Registration	Due Date to Complete	Last Modified
Regular	09/09/2025	25/08/2025

Business Details

Promoter / Partners

Authorized Signatory

Authorized Representative

Principal Place of Business

Additional Places of Business

Goods and Services

Bank Accounts

State Specific Information

Verification

[Goods](#)
[Services](#)

Details of Goods / Commodities supplied by the business

Please specify top 5 Commodities

Search HSN Chapter by Name or Code

List of Goods

Sl No	HSN Code	Description of Goods	Actions
1	7413	STRANDED WIRE, CABLES, PLATED BANDS AND THE LIKE, OF COPPER, NOT ELECTRICALLY INSULATED	DELETE
2	2516	GRANITE, PORPHYRY, BASALT, SANDSTONE AND OTHER MONUMENTAL OR BUILDING STONE, WHETHER OR NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SLABS OF A RECTANGULAR (INCLUDING SQUARE) SHAPE	DELETE
3	2505	NATURAL SANDS OF ALL KINDS, WHETHER OR NOT COLOURED, OTHER THAN METAL-BEARING SANDS OF CHAPTER 26	DELETE
4	3924	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND HYGIENIC OR TOILET ARTICLES, OF PLASTICS	DELETE
5	4803	TOILET OR FACIAL TISSUE STOCK, TOWEL OR NAPKIN STOCK AND SIMILAR PAPER OF A KIND USED FOR HOUSEHOLD OR SANITARY PURPOSES, CELLULOSE WADDING AND WEBS OF CELLULOSE FIBRES, WHETHER OR NOT CREPED, CRINKLED,	DELETE

29. Therefore, in the ordinary course of the Noticee's business, purchases necessarily include items such as cement, tiles, sand, bricks, paints, furniture, tents, toiletries, computers, printers, cameras, steel, cables, wires, pipes, tubes, goods-carrying vehicles, as well as expenses incurred on the maintenance of such vehicles, among others. All such procurements are directly used in the furtherance of the Noticee's business and hence qualify as eligible ITC under Section 16(1) of the CGST Act, 2017.

30. The Noticee has prepared supplier-wise details of the nature of inward supplies along with the corresponding outward sales, in order to establish that the purchases were made in the course or furtherance of business.

The said details are furnished as **Annexure1.4**. Copies of the corresponding Purchase invoices are enclosed as **Annexure1.5**, and the related sale invoices are enclosed as **Annexure 1.6**.

31. Further, with respect to the input tax credits pertaining to vehicles, the Assessing Authority has treated them as blocked credits under Section 17(5). However, it is respectfully submitted that the said credits pertain to goods carrying vehicles and their maintenance, which are used in the course of business by the Noticee. Such credits clearly fall within the exceptions carved out under Section 17(5), and therefore, their denial is not sustainable in law.
32. With regard to the input tax credits on goods such as cement, steel, sand, bricks, etc.. it is submitted that although these items are generally associated with construction activity, in the present case, the Noticee has procured them for the sole purpose of resale and not for the construction of any immovable property. As per Section 17(5)(c) and (d), credits are restricted only when such goods or services are used for the construction of immovable property (other than plant and machinery) on one's own account, including when used in the course or furtherance of business. The provision thus blocks credits only where the taxable person himself engages in construction activity. In the instant case, since the Noticee is engaged purely in trading/resale of these goods and not in construction of immovable property, such credits cannot be treated as ineligible. It is therefore imperative that the purpose of procurement be duly examined before alleging the same as blocked credit.
33. In view of the foregoing submissions, it is respectfully requested that the Input Tax Credit amounting to IGST – Rs.78,841/-, CGST – Rs.20,57,729/-, and SGST – Rs.20,57,729/-, pertaining to the suppliers listed at Sl. No. 1 to 58 of Table 3, be considered as eligible.
34. Further, with respect to the inward supplies from suppliers listed at Serial Nos.59 to 64 of Table 3, the Noticee has itself considered the corresponding input tax credit as ineligible. Accordingly, such credit was either not claimed in the first place or has been duly reversed in the Noticee's GSTR-3B returns. Consequently, the ITC amounting to IGST-Rs. 4,833/-, CGST-Rs. 2,06,697/-, and SGST Rs. 2,06,697/- merely represents the credit reflected in GSTR-2A in excess of the net ITC actually claimed in GSTR-3B. Since the Noticee has voluntarily not claimed such ITC, the creation of a demand on the same would amount to double taxation and result in unjust enrichment.
35. In light of the submissions made above, the Noticee hereby furnishes are computed table providing a

comparison between the net ITC as per GSTR-2A and the ITC claimed in GSTR-3B, after duly factoring the following:

- a. ITC of F.Y.2020-21 claimed in F.Y.2021-22;
- b. Portion of ITC correctly eligible; and
- c. Portion of ITC considered ineligible.

Table4

Amount in Rupees.

Particulars	IGST	CGST	SGST
ITC as per Form GSTR-2A Statement vide Table 8A of Annual Return of Form GSTR-9	3,82,303	1,26,56,925	1,26,56,925
LESS:-i) Improper claim of ITC on B2BA Invoices (Business-to-Business Amended Invoices)-List enclosed	0.00	0.00	0.00
ii) Amount of ITC involved in irregularly/improperly claimed on Credit Notes–List enclosed	0.00	0.00	0.00
iii) Amount of ITC involved in availing ITC benefits improperly on goods/services that were found not fall in the course or in furtherance of business under Section16(1) /and certain goods or services were found falls under the Blocked Credits or list of prohibited items/services for claiming ITC as specified under Section 17(5)	4,833	2,06,697	2,06,697
Net eligible ITC as per Form GSTR-2A/2B	3,77,470	1,24,50,228	1,24,50,228
Add: ITC pertaining to F.Y.20-21 claimed in F.Y.21-22	54,853	54,766	54,766
Total Eligible credit available	4,32,323	1,25,04,994	1,25,04,994
Less:ITCclaimedinFormGSTR-3BvideTable4A	3,96,009	1,23,16,705	1,23,16,705
Amount of ITC found in excess claim	0	0	0

36. From the foregoing submissions, it is clearly established that the Noticee has not availed any input tax credit in excess of what is legitimately eligible, and has diligently and voluntarily either reversed

or refrained from claiming credit wherever the same was ineligible. Accordingly, it is humbly requested that the proceedings initiated under this paragraph be dropped.

II. Nature of observed inaccuracy/ discrepancy: Under-declared sales which leads to the perception that the legitimate tax is being underpaid to the government:

ii. In re: Reconciliation/ comparison of sales reported in different statutory forms:-

37. In this para it is alleged that the Noticee has under-reported its taxable outward supplies in GSTR-3B as compared to the figures disclosed in GSTR-9, to the extent of Rs. 10,17,995/-. Based on this difference, a tax liability of Rs. 1,83,240/- has been proposed (comprising CGST of Rs. 91,620/- and SGST of Rs. 91,620/-).

Particulars	Amount
Outward supplies(sales)asperGSTR-3B	18,54,48,819
Outward supplies(sales)asperGSTR-09	18,64,66,814
Difference	-10,17,995

38. At the outset, the Noticee submits that its turnover for F.Y. 2021-22, as per the duly signed financial statements, amounts to Rs. 18,64,66,239/-. A snapshot of the same is provided below.

M/s. SUMMIT SALES LLP Statement of Profit and Loss for the year ended 31-03-2022				
	Particulars	Note	31 March 2022	(Amount in Rs.) 31 March 2021
I	Revenue from operations	16	18,59,94,743	11,95,67,673
II	Other income	17	4,71,495	3,67,73,461
III	Total Income (I+II)		18,64,66,239	15,63,41,134
IV	Expenses:			

39. Noticee hereby furnishes the breakup of turnover as reported in the GSTR-9Annual Return..

Table2

Amount in Rupees.

		Taxable Value	CGST	SGST
A	B2C	54,33,047	4,62,992	4,62,992
B	B2B	18,10,12,670	1,66,99,409	1,66,99,409

C	Credit notes	-6,78,114	-67,088	-67,088
D	Supplies reported through Amendments	23,783	2,140	2,140
E=A+B+C+D(Taxable Turnover)		18,57,91,386	1,70,97,453	1,70,97,453
F	Exempt Supplies/ Nil Rated Supplies	6,75,428	-	-
G=E+F		18,64,66,814	1,70,97,453	1,70,97,453

40. The Noticee has duly reconciled the turnover reported in GSTR-9 with the turnover reflected in the financial statements, thereby establishing that there is no discrepancy.

41. In this regard, it is respectfully submitted that **GSTR-9 is a statutory return filed under Section 44 of the CGST Act, 2017**, which serves as a reconciliatory statement consolidating the figures of outward supplies for the entire financial year. The said return is filed only after a thorough reconciliation of the books of accounts with the monthly returns, namely GSTR-1 and GSTR-3B. Furthermore, the Hon'ble High Court of Madras, in *Sri Shanmuga Hardwares Electricals v. State Tax Officer* [W.P. No. 2938 of 2023, dated 07.02.2023], has categorically held that the figures furnished in GSTR-9 ought to be duly considered by the adjudicating authority while determining tax liability, particularly in cases involving mismatches or discrepancies.

42. Therefore, it is submitted that the figures mentioned in GSTR-9, being final and reconciled with the audited financial statements, it may kindly be taken into consideration for adjudication of the case. Such audited financial Statement is attached as **Annexure 2.1**.

43. In the view of foregoing, Noticee submits that it has duly discharged the tax liability against the taxable turnover amounting Rs. 18,57,91,386/- reported in the GSTR-9 along with its outward RCM tax liability as enumerated in the table below.

Table 3

Amount in Rupees.

Particulars	Taxable Value	CGST	SGST
Taxable Turnover	18,57,91,386	1,70,97,453	1,70,97,453
RCM Turnover	3,76,490	33,884	33,884
Total Tax Payable		1,71,31,337	1,71,31,337

Details of Tax paid	18,61,67,876	1,71,31,337	1,71,31,337
B(i) Tax paid through ITC		1,26,16,348	1,22,93,077
B(ii) Tax paid through Cash		44,81,724	48,04,995
B(iii) Tax paid through DRC-03		33,265	33,265

44. To further substantiate the above, an extract of Table 9 of GSTR-9 detailing taxes discharged in the F.Y. 2021-22 is provided below and such GSTR-09 is attached as **Annexure 2.2**. Additionally, DRC-03 bearing ARN: AD360123012196K dated 25/01/2023, confirming the payment of Rs.66,530/- (CGST Rs. 33,265, SGST Rs. 33,265) is attached as **Annexure 2.3**.

Pt. IV	Details of tax paid as declared in returns filed during the financial year						
9	Description	Tax Payable (₹)	Paid Through Cash (₹)	Paid Through ITC (₹)			
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6	7
A	Integrated Tax	0.00	0.00	0.00	0.00	0.00	
B	Central Tax	1,71,31,337.00	44,81,724.00	1,22,56,708.00		3,59,640.00	
C	State/UT Tax	1,71,31,337.00	48,04,995.00		1,22,56,708.00	36,369.00	
D	Cess	0.00	0.00				0.00
E	Interest	12,413.00	12,413.00				
F	Late Fees	9,650.00	9,650.00				
G	Penalty	0.00	0.00				
H	Other	0.00	0.00				

FORM GST DRC - 63 [See rule 142(2)&142(3)] Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement												
ARN : AD360123012196K										Date : 25/01/2023		
1.	GSTIN		36ACQFS2044C1Z7									
2.	Name		SUMMIT SALES LLP									
3.	Cause of Payment		Voluntary									
4.	Section under which voluntary payment is made		74(5)									
5.	Details of show cause notice, if payment is made within 30 days of its issue		Reference No: NA				Date Of issue: NA					
6.	Financial Year		2021-2022									
7.	Details of payment made including interest and penalty, if applicable (Amount in Rs.)											
Sr. No.	Tax Period	Act	Place of supply	Tax/Cess	Interest	Penalty, if applicable	Fee	Others	Total	Ledger utilised (Cash/credit)	Debit entry no.	Date of debit entry
1.	APR 2021-MAR 2022	CGST	Telangana	33,265.00	0.00	0.00	0.00	0.00	33,265.00	Cash	DC3601230177650	25/01/2023
2.	APR 2021-MAR 2022	SGST	Telangana	33,265.00	0.00	0.00	0.00	0.00	33,265.00	Cash	DC3601230177650	25/01/2023
8. Reasons, if any - DRC 03 is filed for Difference in Table 9 of GSTR 9.												

45. In consideration of all the submissions made above it can be arrived that on comparison of turnovers reported in GSTR 3B and GSTR 9, the turnover reported in GSTR 9 annual return is greater and tax liability against such turnover had been duly discharged. Hence, there is no short payment of taxes.

46. Details of exempt turnover amounting to Rs6,75,428 are provided separately in Para v and Para vii of the impugned notice.

iii. In Re: Cross Verification of Output taxes reported/declared in different statutorily prescribed forms):-

47. This para alleges short payment of outward tax liability on comparison of tax liabilities reported in GSTR 3B Returns, GSTR 1 Returns, GSTR 9Annual Returns and GSTR 9C Annual Returns.

Particulars	IGST	CGST	SGST
Output tax reported as per Form GSTR-3B	0	1,70,72,355	1,70,72,355
Output tax reported as per Form GSTR-1	0	1,70,68,308	1,70,68,308
Output tax reported as per Form GSTR-9	0	1,70,97,453	1,70,97,453
Output tax reported as per Form GSTR-9C	0	1,70,35,230	1,70,35,230

48. Based on the above comparison, it has been proposed that there was short-reporting of output tax in Form GSTR-3B to the extent of Rs. 25,098/- (CGST) and Rs. 25,098/-(SGST) when compared with the figures disclosed in Form GSTR-9. Consequently, it is alleged that the correct outward tax liability of the Noticee ought to be CGST Rs. 1,70,97,453/- and SGST Rs. 1,70,97,453/- as reported in its GSTR9.

49. In response, the Noticee respectfully submits that, as clearly demonstrated in Table 2 and Table 3 above, the entire tax liability as reported in the GSTR-9 Annual Return has already been duly discharged. The reconciliation with the signed financial statements as well as the payment particulars conclusively establish that there is no short payment of tax. Accordingly, the allegation of short-reporting does not sustain, and it is humbly prayed that all further proceedings in this regard be dropped.

iv. In Re: Levy of Penalty applying General Penalty provision Section 125.

50. This para vaguely imposes general penalty under Section 125 to the tune of Rs.50,000/- (CGST-Rs. 25,000/- & SGST-Rs.25,000/-) without specifying that upon breach of which provision of CGST Act,2017 such penalty is being proposed.

51. Noticee submits that the Section 125 of the CGST Act,2017 can be invoked in the cases where no separate penalty had been prescribed for contravention of any provision of the CGST Act,2017. An extract of Section 125 of the CGST Act,2017 is provided hereunder for ready reference.

***“Section 125- General penalty.** Any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is separately provided for in this Act, shall be liable to a penalty which may extend to twenty-five thousand rupees.”*

52. In the instant case, notice is silent on which provision of the CGST Act,2017 are in contravention and for which no penalty is prescribed under the CGST Act, 2017. Hence, it is therefore prayed that the demand for general penalty under Section 125 be dropped.

v. In re: Other Income

53. This para proposes to examine the applicability of GST on ‘Other Income’ amounting to Rs. 4,71,495/- as reported in the audited financial statements of the Noticee.

54. At the outset, an extract of the “Other Income” reported in the financial statements is placed hereunder for ready reference, and a copy of the audited financial statements is enclosed as **Annexure 3**. It is respectfully submitted that the total income as per the said financial statements aggregates to Rs. 18,64,66,814/-, which duly includes “Other Income” of Rs. 4,71,495/-. The aforesaid income has already been reconciled in Para (ii) of the impugned notice. Therefore, subjecting the same to further examination would tantamount to duplication, resulting in double taxation and creation of an exorbitant and unjust tax liability upon the noticee.

Extract of Note No.17 Other income.

17	Other income	31 March 2022	31 March 2021
(a)	Interest income	28,562	-
(b)	Forefit Account	2,25,000	-
(c)	Service charges	-	2,82,62,427
(d)	Rounded off	124	3,910
(e)	Prior Period items	6,560	-24,371
(f)	Interest on FDR	1,60,747	1,70,770
(g)	Profit on sale of car	13,125	-
(h)	Share of Income tax refund	37,378	-
	Total other income	4,71,495	3,67,73,461

55. However, the notice hereby examines the GST liability on such components of other income and ledger copies of all such components are attached as **Annexure 5.1**.

Table3

Amount in Rupees.

Component of Other Income	Amount	GST Applicability Explanation	GST Treatment
(a)Interest income	28,562	Entry 27(a) of Notification No. 12/2017-CT (Rate): “Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved In credit card services)”are exempt.	Exempt
(b)Interest On FDR	1,60,747	Same as above–Entry 27 (a) of Notification No.12/2017-CT (Rate) confirms exemption.	Exempt
(c)Forfeit Account	2,25,000	Clause 5(e) of Schedule II to the CGST Act, 2017, as clarified by Circular No. 178/10/2022-GST [F. No. 190354/176/2022-TRU,dated03-08-2022],provides that forfeiture of advance shall be treated as a supply of service if it arises in connection with a contract or agreement. In the present case, the forfeiture of income pertains to the sale of a flat after issuance of the Occupancy Certificate (OC). Since the sale of completed flats post-OC is classified as a Non-GST supply in terms of Schedule III of the CGST Act,2017, the related forfeiture	Non-GST

		of advance also assumes the same character. Accordingly, such forfeiture is to be treated as a Non- GST supply and does not attract GST liability.	
(d)Rounded off	124	Does not constitute “supply” under Section 7, but only notional/statement adjustment.	Not Taxable
(e) Prior Period items	6,560	Does not constitute “supply”; reflects accounting adjustment and not revenue from supply under Section 7.	Not Taxable
(f)Profit on sale of car	13,125	The GST liability on the sale of used motor vehicles is governed by Notification No. 8/2018-Central Tax (Rate), dated 25-01-2018. The said notification provides that, where no input tax credit (ITC) has been availed at the time of purchase, GST is payable only on the margin, i.e., the difference between the selling price and the purchase price of the motor vehicle. Furthermore, if the Margin is negative, no GST is payable.	Taxable
(g)Share of Income Tax refund	37,378	Refund of income tax is not a consideration for supply under Section 7; it is monies received back, not a supply.	Not Taxable
Total Other Income	4,71,495		

For point (f) Profit on Sale of Car – In the present case, since the Noticee had not availed ITC on the vehicle at the time of purchase, and as the sale has resulted in a positive margin of Rs. 13,135/-, GST is payable only on such margin in terms of Notification No. 8/2018-Central Tax (Rate), dated 25-01-2018. Accordingly, the GST liability arising on this transaction at the applicable rate of 18% works out to CGST Rs. 1,181/- and SGST Rs. 1,181/-.

vi. In re: Credit Notes.

56. It has been pointed out that credit notes amounting to **Rs. 6,78,115/-** (comprising **CGST Rs. 67,089/-** and **SGST Rs. 67,089/-**) were declared in Table 4(I) of the GSTR-9 Annual Return, and it is proposed to levy GST thereon if no satisfactory explanation and supporting documents are furnished.

57. In this regard, the Noticee respectfully submits that all such credit notes have been duly reported in the respective monthly Form GSTR-1 returns, strictly in compliance with the requirements of Rule 53(1A) of the CGST Rules, 2017. Further, reliance is placed on CBIC Circular No. 72/46/2018-GST dated 26.10.2018, which clarifies that the effect of credit notes duly reported in GSTR-1 is to be reflected in the returns and such amounts cannot be subjected to additional tax liability once properly disclosed.

58. A detailed list of all credit notes issued during F.Y. 2021-22, along with supporting documentation, is enclosed as **Annexure 6.1** for ready reference. Accordingly, no further tax liability arises on account of the said credit notes, and the proposal for levy of GST is untenable in law as well as on facts.

vii. In re: Exempt sales.

59. This para proposes to levy GST on exempt sales declared in Table 5(D) of the Annual Return (Form GSTR-9) amounting to Rs. 6,75,428/-, and accordingly seeks a detailed explanation, along with supporting documentation, regarding the nature and GST treatment of such declared exempt sales.

60. The Noticee respectfully submits that, apart from the *other income* already examined separately in para (v) above, the entity has also affected nil-rated B2C supplies amounting to Rs. 2,03,933/- during the financial year 2021-22. These supplies relate to goods/services notified under GST as attracting a nil rate of tax under the relevant rate Notifications issued under Section 11 of the CGST Act, 2017, and therefore do not give rise to any GST liability. In terms of Section 2(47) of the CGST Act, 2017, the expression "*exempt supply*" includes supplies attracting nil rate of tax as well as non-taxable supplies. Accordingly, the cumulative value of these transactions, together with the exempt "other income" of Rs. 4,71,495/-, was correctly disclosed as "Exempt Supplies" in Table 5(D) of Form GSTR-9.

Particulars	Amount
Other Income	4,71,495
Nil rated B2B sales	2,03,933
Total	6,75,428

61. In Support of the above, a detailed list of all nil-rated B2B supplies is attached as **Annexure 8**, and sample invoices substantiating such transactions are enclosed as **Annexure 9**. List of purchase invoices effecting nil-rated purchases is provided as **Annexure 10**.

62. In view of the statutory position and documentary evidence submitted, the Noticee humbly submits that the reporting of these exempt supplies in Table 5(D) of GSTR-9 is correct and fully compliant with GST law. It is therefore prayed that the proposed demand on this account be dropped.

viii. Tax on Unaccounted Way bills utilised in terms of Purchases.

63. This para alleges that 57 inward transactions identified through waybills, valued at Rs.2,96,21,361/-, are not reflected in the noticee's GSTR-2A/2B returns for the year. Hence, these unreflected purchases result in unreported sales or suppressed turnover, potentially resulting in unpaid GST.

64. The Noticee respectfully submits that, upon thorough verification, all the **57 inward transactions** covered by the E-Way Bills cited in the notice are duly appearing in the **GSTR-2A** statement for the relevant tax period. Therefore, the allegation of discrepancy is factually incorrect and unsustainable.

65. Further, as per Section 16(2) of the CGST Act, 2017, entitlement to input tax credit is contingent upon possession of a valid tax invoice and the reflection of the same in the returns. Since all these transactions are duly reflected in the GSTR-2A and correspond with the underlying invoices, the requirement under law stands fully complied with, leaving no scope for any adverse inference of suppressed turnover.

66. In support of this submission, the complete list of 57 E-Way Bills is enclosed as **Annexure 8.1**, along with a copy of the corresponding GSTR-2A report as **Annexure 8.2**, clearly demonstrating accurate reflection of such transactions.

67. In view of the above factual position, statutory compliance, and enclosed documentary evidence, it is most respectfully submitted that the allegation of unreported purchases and suppressed turnover is baseless and devoid of merit, and the para deserve to be set aside.

ix. Tax on Waybills utilized for certain sales were not properly accounted for in the books of accounts and were not properly brought to tax discharge.

68. The para alleges that certain sale transactions having taxable value Rs.13,13,945/- covered by three waybills are not reported in Form GSTR-1 and GSTR-3B.

SL.No.	To GSTIN & Name	EWB No.& Date	Doc No.& Date	Assess Val.	Tax Val.	HSN Code
1	36AFCM0052Q1Z9/ MODI BUILDERS & INFRA STRUCTURES	171347109913 -29/06/21	14476- 27/11/2020	11,27,053	2,02,870	7214
2	36KNCPS4339M1Z8 /AMEERALI	101537497382 -26/07/21	18514- 26/07/2021	69,436	12,498	3210
3	36KNCPS4339M1Z8 /AMEERALI	121386048199 -07/10/21	19729- 07/10/2021	1,17,456	21,142	3210
				13,13,945	2,36,510	

69. It is submitted that the first e-way bill vide EWB No.171347109913 dated 29-06-2021 pertains to Invoice No. 14476 dated 27/11/2020, which was duly reported in the GSTR-1 return for the month of November, 2020, and the corresponding tax liability was discharged vide respective GSTR3B return. In support of this, sale invoice issued to Modi Builders Infra Structures is attached as **Annexure 9.1**.

70. Regarding the second and third e-way bills (against Invoice Nos. 18514 dated 26/07/2021 and 19729 dated 07/10/2021), these pertain to supplied made to AMEER ALI, registered as a composition dealer under and thus sales to him were reported under B2C supplies in the monthly returns, and the applicable tax liability was discharged.

71. Therefore, all 3 supplies pointed out in the notice have thus been correctly disclosed and the tax liability had been duly discharged. In support of such submission ledger in the books of accounts for the buyer AMEER ALI is attached as **Annexure 9.2**.

72. Since it has already been established in the replies to Para II and Para III above that the noticee has duly discharged its entire tax liability on its turnover, subjecting the same turnover to further examination and taxation under different criteria would result in double taxation, which is neither warranted nor legally sustainable. To further substantiate this position, the noticee is submitting its sales register along with a reconciliation statement of turnover as **Annexure 9.3** and **Annexure 9.4** respectively, clearly evidencing the completeness of reporting all sale transactions and the corresponding discharge of tax liability in its GST returns. Accordingly, it is respectfully requested that this para may kindly be dropped.

73. In view of the detailed submissions made hereinabove, the noticee humbly requests that all proceedings initiated under the present notice be dropped, as the issues raised have been duly substantiated with appropriate explanations and supporting documents.

On a point-wise compilation and consideration made of the clarificatory statements revealed/advocatory explanations ventilated by the taxpayer by point-wise/subject-wise in the their reply filed as detailed above with that of the antecedents-cum-grounds of the point-wise/subject-wise proposed things the "Summary of Show Cause Notice", it is while keeping in view the light of applicable discretionary merits to allow their interpretations within the scope of credibility, sufficient force and aptness involved into their explanations when crystalized the same with that of the matters proposed to be assessed in the Show Cause Notice, it is of the view within the lawfully and cogently adjudicable and ascertainable canons without prejudice to the generality of the purpose and objectives of the tax assessment canons to be adopted and while keeping in view the scope of limitations which may be permitted in the light of the principles of lawfulness and reasonableness and considering that the presented submissions of the taxpayer meets the appropriate criteria to be considered reasonable and they are having capable of being taken into positive light in view of the prima-facie evidentiary strength involved in their pleadings and thus/in all and in altogether, it is in such evaluated perspectives and circumstances, the matters so observed in prima-facie ascertainable limits as not in a proper manner and in fair manner either in terms of Input Tax Credit and as well as output tax and the matters so brought to the notice of the taxpayer in the form of proposals in different perspectives by issuing a Show Cause Notice in the light of principles of tax assessment of the proposed tax is hereby dropped within the meaning of ambit of principles of statutory reasonableness.

NOTE: An appeal under Section 107, read with Rule 108 and Rule 109 of CGST Act and Rules, 2017 against this order lies before the Appellate Joint Commissioner (ST), Punjagutta Division, Hyderabad within (90) days from the date on which the order is communicated to them.

	UPENDER	Digitally signed by
	REDDY	UPENDER REDDY
	BOPPIDI	BOPPIDI
<u>Proper Officer</u>		Date: 2025.11.28
Signature :	BOPPIDI	16:40:10 +05'30'
Name :	Upender Reddy Boppidi,	
Designation :	Assistant Commissioner (ST),	
	M.G.Road-S.D.Road Circle,	
	Begumpet Division, Hyderabad.	

To,
M/s.Summit Sales LLP,
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M.G.Road, Soham Mansion,
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